GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2667
ANSWERED ON:06.12.2001
EXPLORATION OF OIL AND GAS IN GUJARAT
JAYABEN B. THAKKAR

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether an agreement was signed by the Government, ONGC and Reliance Company recently on the exploration of Oil and Gas from the sea-shore of Kutch, Gujarat, and;

(b) if so, the details of the agreement?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS AND MINISTER OF STATE IN THE MI OF PARLIAMENTARY AFFAIRS(SHRI SANTOSH KUMAR GANGWAR)

(a) & (b) :- The Government of Indiahas signed a Production Sharing Contract (PSC) on the 6th September, 2001, with the consortium of Reliance Industries Ltd. (RIL), Oil and Natural Gas Corporation Ltd. (ONGC) and Oil India Ltd. (OIL) for exploration of o and gas in Gujarat-Kutch offshore block, GK-OSJ-3, under the Joint Venture Exploration Programme -1995The main terms of the Contract are as under:-

(i) ONGC, OIL and RIL have a participating interest of 25%, 15% and 60% respectively.

(ii) The Contractor is required to share profit petroleum with the Government.

(iii) The Government has the first right of refusal to buy crude oil produced in the contract area.

(iv) The Contractor has freedom to market the gas produced in the contract area.

(v) Assignment of participating interest can be made with the prior approval of the Government.

(vi) The minimum work obligation to be carried out by the contractor is specified.

(vii) There are three exploration phases with the contractor having the walk- out option at the end of each exploration phase, provided the minimum work programme for that phase has been completed.